



# New Jersey District Office

## *SBA New Jersey*

**Your Small Business Resource**

James A. Kocsi, District Director  
U.S. Small Business Administration  
New Jersey District Office  
Two Gateway Center -15<sup>th</sup> Floor  
Newark, NJ 07102

Tel: (973) 645-2434

Fax: (973) 645-6265

[www.sba.gov/nj](http://www.sba.gov/nj)

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#### For More Information:

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*All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.*

# Record Year;

## *\$602 Million in Loans go to NJ Small Businesses*

New Jersey small business owners received a record number of loans from the U.S. Small Business Administration (SBA) in 2004, it was recently announced.

According to SBA New Jersey District Director James A. Kocsi, state small business owners received 2,862 loans from the SBA totaling \$602 million during the agency's fiscal year 2004 (the period from October 1, 2003 through September 30, 2004). This level of loan activity ranks the New Jersey District Office 5<sup>th</sup> nationally among SBA's 68 district offices.

"This year SBA loan approvals in New Jersey are up 18 percent over the 2,423 loans we approved in 2003," said Kocsi. "The dollars loaned are also up 23 percent over the \$491 million that small business owners received last year."

"Clearly, SBA programs are spurring economic growth and expansion



**RECORD YEAR** ---Gary Barresse and Cynthia O'Connor are one of 2,862 New Jersey small business owners who received a loan from the U.S. Small Business Administration in 2004. With the help of a \$1.5 million SBA guaranteed loan from Temecula Valley Bank, Gary and Cynthia were able to purchase Prospect Auto Spa in Ewing. The loan enabled the partners to retain the 17 employees that the car wash employs.

throughout the state and the country," said Kocsi. "The economy has been on the upswing for quite some time and our loan activity is reflecting that."

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# Commerce Bank is Top SBA Lender in 2004

**F**or the second consecutive year, the U.S.

Small Business Administration New Jersey District Office has recognized Commerce Bank for approving the most loans to New Jersey small business owners during the agency's fiscal year 2004 (the period from October 1, 2003 through September 30, 2004). The Cherry Hill-based bank approved 479 SBA loans for \$137.3 million.

For its efforts, Commerce Bank received SBA's **Diamond Award** at the SBA's Annual Lenders' Awards Ceremony held at the Newark Club in downtown Newark. This year's ceremony was sponsored by **Coastal Securities**.

SBA New Jersey District Director James A. Kocsi said, "I congratulate and commend Commerce Bank for their efforts to provide New Jersey small business owners with capital to start and grow their businesses."

"We are fortunate to have a lending partner that understands and responds to the growing needs of small business owners, like Commerce Bank" added Kocsi.

"The support of all our lenders helps the SBA to spur economic growth throughout New Jersey," said Kocsi. "During fiscal year 2004, New Jersey small business owners received a record 2,862 loans for \$602 million."

"Much of the credit for SBA's success in small business lending belongs to Commerce Bank

and the 13 other lenders that we honor," said Kocsi. "We realize the commitment that each lender has made to the small business community."

In addition to receiving SBA's **Diamond Award**, Commerce Bank received **District Director Awards** for the **#1 Participating Lender in the SBA's 504 Loan Program**, approving nine 504 loans for \$13.4 million; **#1 Lender in International Trade Loans**, approving six international trade loans for \$3.8 million; and the **#1 Lender in Veteran-Owned Business Loans**, approving 40 veteran business loans for \$7.3 million.

**SBA Distinguished Lender Awards** went to Broadway National Bank of Fort Lee for being the **#1 Lender in the Small Bank Category** with 101 loans; Unity Bank of Clinton for being the **#1 Mid-Size Bank** with 88 loans; and Cooperative Business Assistance Corporation of Camden for being the **#1 MicroLoan Lender** with 55 MicroLoan approvals.

Six lenders received **SBA's Gold Award** for approving 100 or more loans during the year. Bank of America of Charlotte, North Carolina approved 477 loans for \$18.7 million; PNC Bank of East Brunswick approved 301 loans for \$50.2 million; Capital One Bank of Glen Allen, Virginia approved 156 loans for \$6.8 million; Citizens Bank of Cranston, Rhode Island approved 120 loans for \$4.7 million; HSBC Bank USA of Buffalo,

New York approved 108 loans for \$7.4 million; and Broadway National Bank of Fort Lee approved 100 loans for \$41.5 million.

Three lenders received **SBA's Silver Award** for approving 75 to 99 loans during the year. Valley National Bank of Wayne approved 92 loans for \$22.8 million; Unity Bank of Clinton approved 88 loans for \$36.2 million; and Sovereign Bank of Reading, Pennsylvania approved 78 loans for \$18.4 million.

Three Lenders also received **SBA's Bronze Award** for approving 50 to 74 loans during the year. CIT Small Business Lending Corporation of Livingston approved 63 loans for \$33.7 million; JP Morgan Chase Bank of Manhattan approved 60 loans for \$2.9 million; and Cooperative Business Assistance Corporation of Camden approved 55 loans for \$936,872.

Sun National Bank of Vineland received a **District Director Award**. The bank received **SBA's Breakthrough Lender Award** based on its 780 percent increase in SBA lending over its 2003 loan approvals. Sun National Bank approved 39 loans for \$6.3 million during fiscal year 2004.

## Upcoming Events

**Building & Financing Your Business with the SBA**  
Tuesday, November 30, 2004 – 9:00 a.m. – Noon  
Camden County Store – Clementon  
Cost: No Fee  
For Info: Call (856) 225-6221

**How to Really Start Your Own Business**  
Friday, January 14, 2005 – 10:00 a.m. – Noon  
Picatinny Innovation Center – Picatinny  
Cost: No Fee For Info: Call (973) 442-6400

**Building & Financing Your Business with the SBA**  
Wednesday, December 1, 2004 – 7:30 a.m. – 10:30 a.m.  
The Brownstone - Paterson  
Cost: No Fee  
For Info: Call (973) 754-8695

**Starting and Managing Your Own Business**  
Tuesday, January 18, 2005 – 9:00 a.m. – 2:30 p.m.  
Two Gateway Center - 15<sup>th</sup> Fl. - Newark  
Cost: \$25 For Info: Call (973) 645-2434

For additional events log on to <http://app1.sba.gov/calendar/states/calendar.cfm?op=group&grp=44>

## SBA's NJ Top Lenders in 2004

(For the Period of October 1, 2003 through September 30, 2004)

| Lender  | # of Loans | \$Amount        | Award   | Location       |
|---|------------|-----------------|---------|----------------|
| 1) Commerce Bank                                | 479        | \$137.3 Million | Diamond | Cherry Hill    |
| 2) Bank of America                              | 477        | \$ 18.7 Million | Gold    | Charlotte, NC  |
| 3) PNC Bank                                     | 301        | \$ 50.2 Million | Gold    | East Brunswick |
| 4) Capital One Bank                             | 156        | \$ 6.8 Million  | Gold    | Glen Allen, VA |
| 5) Citizens Bank of Rhode Island                | 120        | \$ 4.7 Million  | Gold    | Cranston, RI   |
| 6) HSBC Bank USA                                | 108        | \$ 7.4 Million  | Gold    | Buffalo, NY    |
| 7) Broadway National Bank                       | 101        | \$ 41.5 Million | Gold    | Fort Lee       |
| 8) Valley National Bank                         | 92         | \$ 22.8 Million | Silver  | Wayne          |
| 9) Unity Bank                                   | 88         | \$ 36.2 Million | Silver  | Clinton        |
| 10) Sovereign Bank                              | 78         | \$ 18.4 Million | Silver  | Reading, PA    |
| 11) CIT Small Business Lending Corp.            | 63         | \$ 33.7 Million | Bronze  | Livingston     |
| 12) JP Morgan Chase                             | 60         | \$ 2.9 Million  | Bronze  | New York, NY   |
| 13) Cooperative Business Assistance Corporation | 55         | \$ 936,872      | Bronze  | Camden         |

## Report on *Small Business Economy, 2004* is Now Available

The Office of Advocacy of the U.S. Small Business Administration recently unveiled a major new federal government report, *The Small Business Economy, 2004*, which outlines the state of small business and its contributions to the economy. This latest in an annual series analyzes 2003 data.

"In 2003, the overall economic indicators improved as the economy gained momentum," said Office of Advocacy Chief Economist Dr. Chad Moutray. "Small businesses led the way. However, continued strong economic growth will require an environment that fosters more entrepreneurial activity." He made the remarks during the report's release at Robert Morris College in Chicago.

The comprehensive report examines the role small business plays in the economy. It focuses on economic trends and indicators, regulatory issues at the federal, state, and local levels, innovation and technology transfer, as well as federal government procurement and small business financing data.

To download or view the report, log on to [http://www.sba.gov/advo/stats/sb\\_econ2004.pdf](http://www.sba.gov/advo/stats/sb_econ2004.pdf).

# SBA Loans by County

| County        | Fiscal Year 2004 |                       | Fiscal Year 2003 |                       |
|---------------|------------------|-----------------------|------------------|-----------------------|
|               | # of Loans       | \$Amount              | # of Loans       | \$ Amount             |
| ATLANTIC      | 95               | \$ 27.7 million       | 58               | \$ 12.4 million       |
| BERGEN        | 390              | \$ 72.3 million       | 265              | \$ 50.6 million       |
| BURLINGTON    | 139              | \$ 23.5 million       | 149              | \$ 27.4 million       |
| CAMDEN        | 249              | \$ 38.3 million       | 222              | \$ 32.9 million       |
| CAPE MAY      | 56               | \$ 19.2 million       | 43               | \$ 11.5 million       |
| CUMBERLAND    | 48               | \$ 10.1 million       | 27               | \$ 3.2 million        |
| ESSEX         | 230              | \$ 51.3 million       | 156              | \$ 34.1 million       |
| GLOUCESTER    | 88               | \$ 17.5 million       | 65               | \$ 11.9 million       |
| HUDSON        | 146              | \$ 24.8 million       | 108              | \$ 27.5 million       |
| HUNTERDON     | 80               | \$ 17.6 million       | 64               | \$ 9.1 million        |
| MERCER        | 103              | \$ 28.1 million       | 91               | \$ 18.1 million       |
| MIDDLESEX     | 228              | \$ 46.6 million       | 213              | \$ 42.9 million       |
| MONMOUTH      | 179              | \$ 45.4 million       | 203              | \$ 49.8 million       |
| MORRIS        | 160              | \$ 38.1 million       | 153              | \$ 31.4 million       |
| OCEAN         | 130              | \$ 31.4 million       | 142              | \$ 31.5 million       |
| PASSAIC       | 142              | \$ 27.0 million       | 123              | \$ 27.6 million       |
| SALEM         | 7                | \$ 2.3 million        | 7                | \$ 2.1 million        |
| SOMERSET      | 138              | \$ 27.5 million       | 113              | \$ 21.0 million       |
| SUSSEX        | 61               | \$ 13.8 million       | 44               | \$ 9.2 million        |
| UNION         | 152              | \$ 32.7 million       | 146              | \$ 31.3 million       |
| WARREN        | 41               | \$ 6.8 million        | 31               | \$ 5.5 million        |
| <b>TOTALS</b> | <b>2862</b>      | <b>\$ 602 million</b> | <b>2423</b>      | <b>\$ 491 million</b> |

## NJ Minority, Women, and Veteran Loan Comparisons FY 2004-FY-2003

| Category<br>(Dollars in the Millions)   | FY<br>2004 | FY<br>2003 | # Change<br>\$ Change | % Change |
|---|------------|------------|-----------------------|----------|
| Total Number of African-American Loans  | 157        | 113        | +44                   | +39%     |
| Total Dollars African-American Loans    | \$18       | \$11.4     | +\$6.6                | +58%     |
| Total Number of Hispanic-American Loans | 203        | 145        | +58                   | +40%     |
| Total Dollars Hispanic-American Loans   | \$30       | \$19.6     | +\$10.4               | +51%     |
| Total Number Asian-American Loans       | 660        | 511        | +149                  | +29%     |
| Total Dollars Asian-American Loans      | \$136      | \$136.1    | -.1                   | -.1%     |
| Total Number of Minority Loans          | 1,110      | 814        | +296                  | +36%     |
| Total Dollars Minority Loans            | \$197      | \$176.6    | +\$204                | +12%     |
| Total Number of Women Loans             | 569        | 463        | +106                  | +23%     |
| Total Dollars of Women Loans            | \$100      | \$75.1     | +\$24.9               | +34%     |
| Total Number of Veteran Loans           | 190        | 137        | +53                   | +39%     |
| Total Dollars Veteran Loans             | \$37.7     | \$22.0     | +\$15.7               | +71%     |

# Record Year

*(Continued from Page One)*

“Today, small businesses are accounting for seven of every 10 new jobs that are being created,” said Kocsi. “SBA loans contribute to our local economy by enabling business expansion and by establishing new enterprises. A look at the recent 4.8 percent unemployment rate shows us that the economy is moving in the right direction. Our loans are creating jobs and opportunities in New Jersey, and we will do our best to provide even more loans to the small business sector in the future.”

Minority, women, and veteran-owned businesses also shared in the increased SBA loan activity during fiscal year 2004. “I was pleased to see that all segments of the business community saw increases in loan approvals,” said Kocsi. “Across the board, we made more loans to more small businesses than in any other year.”

SBA loan approvals to New Jersey minority small business owners totaled 1,110 for \$197 million compared to 814 loans for \$176.6 million approved during fiscal year 2003. This represented a 36 percent increase in the number of loan approvals to minority-owned firms, as well as a 12 percent increase in dollar volume.

Of the 1,110 loan approvals to minority-owned small businesses, Asian-Americans received 660 loans for \$136 million; African-Americans received 157 loans for \$18 million; and Hispanic-Americans received 203 loans for \$30 million. Loan approvals to Asian-Americans were up 29 percent; loan approvals to African-Americans were up 39 percent; and loans to Hispanic-Americans increased by 40 percent.

According to Kocsi, women business owners received 569 loans for \$100 million compared to 463 loans for \$75.1 million approved during fiscal year 2003. This represented a 23 percent increase in the number of loan approvals to women-owned businesses, as well as a 34 percent increase in dollars.

Veteran-owned businesses received 190 loans for \$37.7 million compared to 137 loans for \$22 million approved in fiscal year 2003. This represented a 39 percent increase in the number of loans and a 71 percent increase in dollars.

“This program also allows lenders to expedite the SBA loan process by utilizing their own forms and

procedures. This year 59 percent of our loans were approved under this program for an average amount of \$63,800. I expect **SBAExpress** loan volume to approach 70 percent next year,” said Kocsi.

Bergen County small businesses led the way in 2004 by receiving 390 SBA loans for \$72.3 million; Camden County businesses followed with 249 loans for \$38.3 million; and Essex County businesses received 230 loans for \$51.3 million. Rounding out the top five counties were Middlesex County businesses with 228 loans for \$46.6 million, and Monmouth County businesses with 179 loans for \$45.4 million.

Kocsi also noted that the average SBA loan in New Jersey was \$210,563 and that a sizeable amount of loans were well under that average. “We are pleased that more New Jersey lenders are utilizing the agency’s **SBAExpress** loan program, which also offers a revolving line of credit feature,” said Kocsi.

In addition to its lending activities, the SBA New Jersey District Office provided business counseling to 18,000 businesses and start-up companies through its network of SCORE counselors and New Jersey Small Business Development Centers (SBDCs). An additional 21,550 clients attended 1,040 training programs sponsored by SCORE and the SBDC.

Another 6,065 people obtained assistance at SBA’s Business Information Centers (BIC) in Newark and Camden, and an additional 1,950 women received assistance through the Women’s Business Center (WBC), a program sponsored by the SBA and the New Jersey Association of Women Business Owners. “We realize the importance of providing our customers with practical business training and counseling,” said Kocsi. “The services offered by SCORE, the SBDC, the BIC and the WBC are invaluable to our customers’ success and growth.”

The SBA New Jersey District Office also provided New Jersey small disadvantaged companies with 166 federal government contracts worth \$81.6 million. The contracts were issued under the agency’s 8(a) Business Development Program.



# President's Executive Order Seen as a Boost for Service-Disabled Veteran-Owned Small Businesses

**A**mplifying his commitment to

Service-Disabled Veteran-Owned Small Businesses (SDVOSBs), President Bush issued an Executive Order, Oct. 20, 2004, designed to strengthen and increase opportunities in federal contracting for small businesses owned by service-disabled vets.

The Executive Order reaffirms the Administration's commitment to SDVOSBs, noting that America honors the extraordinary service rendered to the United States by veterans disabled in the line of duty during active military service. The order requires heads of agencies to provide significantly more contracting and subcontracting opportunities to service-disabled veteran-owned small businesses.

The order further notes: "To achieve that objective, agencies shall more effectively implement section 15(g) of the Small Business Act (15 U.S.C. 644(g)), which provides that the President must establish a goal of not less than 3 percent for participation by service-disabled veteran businesses in federal contracting, and section 36 of that Act (15 U.S.C. 657(f)), which gives agency contracting officers the authority to reserve certain procurements for service-disabled veteran-owned small businesses."

President Bush's Executive Order, relates to the **Veterans Benefits Act of 2003** (Public Law 108-183), which was enacted on December 16, 2003). It amended the Small Business Act (15 U.S.C. 631 et seq.) to establish a procurement program for small business concerns owned and controlled by service-disabled veterans.

Section 308 of that law provides that

contracting officers may award a sole source or set-aside contract to Service-Disabled Veteran Owned Small Business Concerns if certain conditions are met. Specifically, a contracting officer may award a sole source contract to any small business concern owned and controlled by service-disabled veterans if

- such concern is determined to be a responsible contractor with respect to performance of such contract opportunity and the contracting officer does not have a reasonable expectation that two or more small business concerns owned and controlled by service-disabled veterans will submit offers for the contracting opportunity;
- the anticipated award price of the contract (including options) will not exceed – \$5.0M in the case of a contract opportunity assigned a North American Industry Classification System code for manufacturing; or
- \$3.0M in the case of any other contract opportunity;
- or in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price.

Additionally, a contracting officer may award contracts on the basis of competition restricted to small business concerns owned and controlled by service-disabled veterans if the contracting officer has a reasonable expectation that not less than two small business concerns owned and controlled by service-disabled veterans will submit offers and that the award can be made at a fair market price.

The Veterans Benefits Act of 2003 does not require a formal certification program to formally certify concerns as SDVOSBCs. An SDVOSBC will be able to "self-represent" its status of being an SDVOSBC

as part of its offer. However, for sole source procurements, the SBA or the contracting officer may protest the proposed awardee's service-disabled veteran status, and for competitive set-asides, any interested party may protest the apparent successful offeror's SDVOSBC status.

In order to participate in the SDVOSBC Program:

- The SDVOSBC must be a small business;
- 51 percent of the SDVOSBC must be unconditionally and directly owned by one or more service-disabled veterans; and
- the management and daily business operations of the SDVOSBC must be controlled by one or more service-disabled veterans (or in the case of a veteran with permanent and severe disability, the spouse or a permanent caregiver of such veteran).

A service-disabled veteran is a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable, and whose disability was incurred or aggravated in line of duty in the active military, naval, or air service.

For more information about SBA's Service-Disabled Veterans Business program contact Martin McHenry at 973-645-2427 or visit <http://www.sba.gov/VETS/index.html> A copy of the Executive Order can be found at:

<http://www.whitehouse.gov/news/releases/2004/10/print/20041021-5.html>

# Equestrian Shop Owner Reins in her Success

Every now and then, Lori Staas

likes to rein in her success. As the owner of Staas' Stables in Vineland, where she boards and takes care of horses you can understand why.

Lori's passion for horses started when she was a young girl. However, the opportunity to learn how to ride eluded her. So Lori really never had the chance to grow up around horses. But all that changed in 1997, when Lori's daughter, Tiffany, asked her mom if she could take riding lessons. Of course, Lori was more than happy to oblige. At the same time, Lori decided to join her daughter.

For the next four years, Lori learned everything there was to learn about horses. Lori learned how to ride, shoe, train and take care of a horse. She traveled to Kentucky, Maryland, Delaware, Pennsylvania, and New York, attending classes and learning as much as she could about horses.

"I just love being around horses," said Lori. "I love taking care of them. So it was only natural that I start a boarding business in 2001. I continued to work as a nurse on a midnight shift, while taking care of the horses during the morning and early evening."

Word soon got around that Lori was boarding horses and the business began to grow. Lori also began to give lessons. But one thing she realized was that the nearest farrier and horseshoe supply shop was 90 miles away.

Seeing there was a need for this type of service in the area, Lori thought it might be a good idea to expand her business. So in the fall of 2003, Lori decided to participate in the Entrepreneurial Training Institute, an eight-week comprehensive



**Reining in her Success**—Lori Staas of Staas' Stables received an \$8,000 SBA MicroLoan to help expand her business, which now includes an equestrian shop and educational center.

training course offered by the NJ Economic Development Authority that helps entrepreneurs develop a business plan. Despite owning her own business, Lori wanted to make certain that she expanded the right way.

"The class was a real eye opener for me," said Lori. It was there she met Vince Nolan of the Cooperative Business Assistance Corporation (CBAC) of Camden. Nolan serves as a mentor for students who participate in the Entrepreneurial Training Institute Program. After seeing Lori's potential, he helped her secure a MicroLoan through the U.S. Small Business Administration (SBA). CBAC administers the SBA's MicroLoan program in six Southern New Jersey Counties. Through the program, Lori was able to receive an \$8,000 SBA MicroLoan to help her build an equestrian shop and education center. An additional \$5,000 for the project came from the Cumberland County Loan Assistance Program (CCLAP), while a \$22,000 loan was secured from The Bank.

Lori's husband John, a Union Iron Worker for Local 399 helped build a 900 square foot education center and a 1200 square foot store onto the existing horse barn. Without his labor, Lori couldn't have invested in the expansion of her business.

The creative financing package offered by the SBA, CCLAP and The Bank enabled Lori to begin the second phase of her business.

"The SBA MicroLoan program is helping business owners like Lori Staas realize their dreams," said SBA New Jersey District Director James Kocsi. "Sometimes small businesses require a small amount of capital that can take their business to the next level.

That's exactly what our loan program has done for Staas' Stables."

Thanks to the SBA MicroLoan program, Staas' Stables is now able to provide its customers with riding and equine supplies like bridals, bits, saddles, hay, feed, clothing, riding helmets, brushes, shampoos, fly spray, blankets, and de-wormers. And of course Lori is certified in shoeing

With the educational center, Lori will also be able to bring veterinarians in to conduct classes on diet and nutrition for horses, foot care, a horse's anatomy, and how to take care of a horse properly.

According to Lori, she has room to board up to 12 horses and expects to make \$15,000 from boarding horses this year. She is also confident that another \$35,000 will come from revenues generated by the new store and the classes that take place in the new educational center.

The center can also be used for birthday parties, where young children can have a pony party. Lori is also cognizant of the costs involved in taking riding lessons. She is now offering half hour lessons at \$15. "I remember how I struggled when I was paying for lessons for my daughter," said Lori. "Maybe someone can't afford \$30 an hour for a lesson, but I want them to have something instead of nothing."

It's this type of thinking that will help Lori Staas, the entrepreneur, rein in her success.